



Instr: 20110105000474 01/05/2011
P: 1 of 3 F: \$36.00
Rick Campbell 9:08AM LEAS
Stark County Recorder T20110000416

NON-DRILLING OIL & GAS LEASE

THIS LEASE, dated this 22 day of December, 2010, by and between
DNW Properties III, LLC
6182 Beaman Ave N.W.
Canton, Ohio 44718

hereinafter referred to as Lessor, and D&L Energy, Inc., an Ohio Corporation, of 2761 Salt Springs Rd, Youngstown, OH, 44509, hereinafter referred to as Lessee, hereby agree as follows:

1.) Lessor, for and in consideration of one dollar (\$1.00) and OVC, grants Lessee, its heirs, successors and assigns, all the oil and gas and their constituents in and under the lands described below, with the exclusive rights to operate for, produce and market the same from a well or wells on other lands; the right to unitize Lessor's lands, or any portion, along with other lands into a drilling unit(s) of not more than one hundred sixty acres, the right to lay pipelines over and through the premises hereinafter described and to maintain, operate, repair, replace and remove same, together with valves and other necessary appurtenances, said rights shall survive the term of this lease. This Lease is for five (5) years and as long thereafter as operations are being conducted on any such unit or oil and gas can be produced in paying quantities in Lessee's judgment from any such unit.

This Lease covers all of Lessor's land in and adjoining, said Parcel No(s). 3703911 bounded now or formerly, as follows:

North by lands of: Spitale East by lands of: Hunt
South by lands of: Adams West by lands of: Schmuck Farms
In the City/Township of Osnaburg, County of Stark.
State/Commonwealth of Ohio, and containing 6.00 acres, more or less.
Sec: 4 Tn: 18 Rng: 7

2.) Lessor shall be paid as royalties a proportional share of one-eight (1/8th) of the proceeds by Lessee on all oil and gas sold off the unit, as the amount of Lessor's acreage in the unit bears to the total acreage in the unit. Payment or royalty for gas marketed during any calendar month to be on or about the 30th day after receipt of such funds by the Lessee. Lessee to deduct from payments of proceeds by Lessee, Lessor's prorata share of any tax imposed by any government body.

LEASE # 1503928

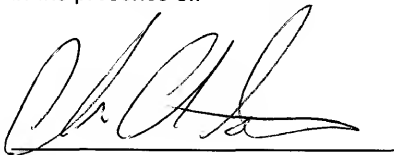
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- 3.) No well shall be drilled on Lessor's property, nor shall Lessee enter upon or install any surface installation of any nature whatsoever on the leased property, the within Lease being granted solely for the purpose of permitting the Lessee to unitize the leased property with other properties, which other properties shall bear all the burden of development. Lessor understands and gives consent that, due to slant (directional) drilling, originating from surface entry on a parcel not owned by Lessor, the well bore(s) may pass through or terminate below the surface of Lessor's property.
- 4.) In case the Lessor owns a less interest in the above described premises than the entire and undivided fee simple therein, then the royalties and rentals herein provided for shall be paid to the Lessor only in the proportion which such interest bears to the whole and undivided fee. If said land is owned by two or more parties, or the ownership of any interest therein should hereafter be transferred by sale, devise or operation of law, said land, nevertheless, may be held, developed and operated as an entirety, and the rentals and royalties shall be divided among and paid to such several owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage.
- 5.) No change of ownership in the leased premises or in the rentals or royalties hereunder shall be binding on the Lessee until after notice to the Lessee by delivery of notice in writing duly signed by the parties to the instrument of conveyance or assignment and delivery of a duly certified copy thereof to the Lessee.
- 6.) Lessor further agrees that the Lessee shall have the right at any time to redeem for Lessor, or otherwise acquire by payment, any mortgage or other liens upon the described lands which any manner affect the Lessee's interest therein in the event of default of payment by Lessor and be subrogated in full to all the holder thereof the same as if Lessee were the original owner of said mortgage.

IN WITNESS WHEREOF, the Lessor hereunto set their hands to this Non-Drilling Oil and Gas Lease, referenced herein on this 22 day of December, 2010.

Signed and acknowledged
in the presence of:



SIGNATURE OF LESSOR

DNW Properties III, LLC

By: David N Worsick

DAVID N. WORSICK
(print name)

By: _____

(print name)

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STATE/Commonwealth of Ohio :
COUNTY OF Stark :SS: **CORPORATION**

Before me, the undersigned Notary Public in and for the above County and State, personally appeared David N. Worshil, who after first being duly sworn according to law, acknowledged before me that he/she is the President of DNW Properties III, LLC and that he/she did execute the foregoing instrument in such capacity and that the same was his/her free act and deed individually and as such officer and authorized agent, and the free and corporate act and deed of said DNW Properties III, LLC, for the uses therein contained.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal this 22 day of December, 2010.



Christopher A. Scenna
My Commission Expires
July 19, 2015

Notary Public

Corporation
Revised 09.2010

This instrument prepared by:
D&L Energy, Inc.
2761 Salt Springs Rd.
Youngstown, OH 44509